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October 26, 2000

JUSTGIVE  
2787 CALIFORNIA ST 2<sup>ND</sup> FLOOR  
SAN FRANCISCO, CA 94115

IN REPLY, PLEASE REFER TO  
OUR FILE NO. CT-112204

**RE: REGISTRATION WITH THE ATTORNEY GENERAL'S OFFICE**

Pursuant to Corporations Code Section 5120, the Secretary of State's Office has forwarded a copy of your Articles of Incorporation. You are now registered with the Attorney General's Office under the state registration number (CT-file number) shown above.

Your address of record is used to mail forms for filing reports at the end of each accounting period. You must advise us of any address changes.

- ☒ Our records indicate that your accounting period ends annually on **DECEMBER 31**. If it is not correct, please inform us.
- ☐ If you do not receive income, assets or incur expenses by the end of your first accounting period, you should so inform us at that time, in lieu of filing the required report. You must "operate" to qualify for tax exemption.
- ☐ Reporting is now required for the past accounting period(s) ending (Send a copy of IRS Form 990, 990EZ or 990PF.)
- ☒ Provide a copy of the Internal Revenue Service determination letter which exempts you from federal income tax. If you have not yet obtained such a letter, provide a copy as soon as it is available.
- ☒ Provide a list of your current directors and officers with their mailing addresses.
- ☒ Provide a copy of your bylaws.

Your directors should adhere to the provisions of the Nonprofit Corporation Law, particularly Corporations Code sections 5230-5260 relating to standards of conduct, investments, examination by the Attorney General, and compliance with the Internal Revenue Code. The code should be available in a local library.

Sincerely,

DEBRA BERRY, Office Technician  
Registry of Charitable Trusts

FOR **BILL LOCKYER**  
Attorney General

**THIS LETTER SHOULD BE KEPT  
WITH YOUR PERMANENT RECORDS**

**JUSTGIVE, INC.**  
**FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2007**

**RECEIVED**  
Attorney General's Office  
AUG 25 2008  
Registry of  
Charitable Trusts

## CONTENTS

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of financial position	2
Statements of activities	3
Statements of cash flows	4
Notes to financial statements	5 - 9
<b>INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION</b>	10
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of functional expenses	11

# JUSTGIVE, INC.

## STATEMENTS OF FINANCIAL POSITION FEBRUARY 28, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 541,777	\$ 415,154
Contributions receivable	87,634	2,432
Accounts receivable	23,850	13,853
Prepaid expenses and deposits	<u>9,232</u>	<u>7,954</u>
	<u>662,493</u>	<u>439,393</u>
<b>INVESTMENTS</b>		
Corporate obligations (cost \$499,690 for 2007; \$199,652 for 2006)	499,718	199,526
Stock (cost \$0 for 2007; \$485 for 2006)	<u>-</u>	<u>514</u>
	<u>499,718</u>	<u>200,040</u>
<b>FURNITURE AND EQUIPMENT</b>	<u>13,644</u>	<u>9,819</u>
<b>OTHER ASSETS</b>	<u>1,310</u>	<u>1,469</u>
	<u>\$1,177,165</u>	<u>\$ 650,721</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 45,093	\$ 14,097
Payroll liabilities	1,656	1,656
Accrued expenses	795	1,336
Donation pass through	<u>619,672</u>	<u>348,374</u>
	<u>667,216</u>	<u>365,463</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	<u>509,949</u>	<u>285,258</u>
	<u>\$1,177,165</u>	<u>\$ 650,721</u>

# JUSTGIVE, INC.

## STATEMENTS OF ACTIVITIES YEARS ENDED FEBRUARY 28, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b>SUPPORT AND REVENUE</b>		
Contributions (Excluding contributions raised for others of \$17,432,018 in 2007; \$16,893,631 in 2006)	\$ 202,569	\$ 121,485
Corporate sponsorships	20,000	25,000
Corporate licensing	101,667	115,518
Site revenue	584,619	553,657
Site set-up & development	133,610	40,650
Donated equipment, office space and services	30,433	27,633
Net gain (loss) on investments	(505)	(926)
Interest and dividend income	<u>43,377</u>	<u>19,840</u>
	<u>1,115,770</u>	<u>902,857</u>
<b>COSTS AND EXPENSES</b>		
Public awareness	779,856	685,173
Management and general	87,887	58,868
Fundraising and promotion	<u>23,336</u>	<u>22,477</u>
	<u>891,079</u>	<u>766,518</u>
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	224,691	136,339
<b>UNRESTRICTED NET ASSETS, beginning of year</b>	<u>285,258</u>	<u>148,919</u>
<b>UNRESTRICTED NET ASSETS, end of year</b>	<u>\$ 509,949</u>	<u>\$ 285,258</u>

# JUSTGIVE, INC.

## STATEMENTS OF CASH FLOWS YEARS ENDED FEBRUARY 28, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 224,691	\$ 136,339
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Contribution of stock	(102,269)	(50,485)
Depreciation and amortization	5,743	5,090
Net (gain) loss on investments	505	926
Changes in net assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(9,997)	143,742
Contributions receivable	(85,202)	7,264
Prepaid expenses and deposits	(1,276)	(1,532)
Other assets	159	3
Increase (decrease) in:		
Accounts payable	30,995	9,700
Payroll liabilities	-	56
Accrued expenses	(541)	(4,112)
Donation pass through	<u>271,298</u>	<u>33,255</u>
Net cash provided by operating activities	<u>334,106</u>	<u>280,246</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(9,569)	(9,186)
Purchase of investments	(299,602)	(199,651)
Proceeds from sale of investments	<u>101,688</u>	<u>49,170</u>
Net cash provided by (used in) investing activities	<u>(207,483)</u>	<u>(159,667)</u>
 Net increase in cash	126,623	120,579
CASH, beginning of year	<u>415,154</u>	<u>294,575</u>
CASH, end of year	<u>\$ 541,777</u>	<u>\$ 415,154</u>

# JUSTGIVE, INC.

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED FEBRUARY 28, 2007 AND 2006

### Note 1. ORGANIZATION AND MISSION

JustGive, Inc. (the Organization) was established on July 15, 1999 to educate the general public about charitable giving and facilitate the contribution of donations to qualified non-profit organizations operating in the United States. The Organization also provides a vehicle to qualified non-profit organizations for increasing awareness of their purpose, objectives, and for soliciting donations.

The Organization is located in San Francisco, California. The Organization generates its support and revenue from individual contributors and corporate sponsors, license and other fees from third parties for using its donation system and providing related services and fees charged to all users to offset credit card transaction costs.

### Note 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation:

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### Use of estimates:

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### Cash:

For purposes of the statement of cash flows, cash includes money market funds.

#### Investments:

The Organization carries investments in marketable securities at their fair values in the Statements of Financial Position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities.

# JUSTGIVE, INC.

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED FEBRUARY 28, 2007 AND 2006

### Note 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Furniture and equipment:

Furniture and equipment is recorded at cost when purchased and at fair market value at date of gift when donated. Depreciation is provided on a straight-line basis over the estimated useful lives of three to seven years.

Expenditures for maintenance and repairs are expensed as incurred. Betterments which increase the value or materially extend the life of the related assets are capitalized. It is the Organization's policy to capitalize expenditures for these items in excess of \$500.

#### Website development costs:

The Organization has adopted Statement of Position 98-1 Accounting for Costs of Computer Software Developed or Obtained for Internal Use in accounting for its website development costs. Planning stage costs are expensed as incurred. Application, infrastructure, graphic and content development stage costs are generally capitalized. Operating stage costs are expensed as incurred. Capitalized website development costs are being amortized over a period of three years.

#### Income tax status:

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is qualified to sponsor a donor advised fund.

#### Revenue recognition:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributions raised for other organizations through the Organization's website are recorded as a liability and excluded from contributions.

The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on management's analysis of specific promises made.



# JUSTGIVE, INC.

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED FEBRUARY 28, 2007 AND 2006

### Note 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Donations-in-kind and contributed services:

Equipment and other non-cash items donated to the Organization, the amount of which are clearly measurable, are reflected in the accompanying financial statements as contributions at their estimated fair values at the date of receipt. Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets, or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills.

The value of other donated equipment and services has not been reflected in the accompanying financial statements inasmuch as no objective basis was available to measure their value or they did not meet the criteria for recognition. However, numerous volunteers and board members have donated significant amounts of their time in the areas of program development and fundraising.

#### Functional allocation of expenses:

Expenses are allocated into functional categories depending on the ultimate purpose of the expenditure. Expenses have been summarized in the accompanying financial statements as follows:

*Public awareness* includes expenses incurred to educate, disseminate information, and provide a charitable vehicle to the general public.

*Management and general* includes expenses that are not directly related to a specific program function incurred by the Organization in the accomplishment of its tax exempt purposes.

*Fundraising and promotion* includes expenses incurred to raise funds for the Organization.

#### Promotion and media:

Promotion and media costs are expensed as incurred.

# JUSTGIVE, INC.

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED FEBRUARY 28, 2007 AND 2006

### Note 3. FURNITURE AND EQUIPMENT

	<u>2007</u>	<u>2006</u>
Computer equipment	\$ 42,425	\$ 33,189
Office furniture, fixtures and equipment	2,951	2,619
Accumulated depreciation	<u>(31,732)</u>	<u>(25,989)</u>
	<u>\$ 13,644</u>	<u>\$ 9,819</u>

### Note 4. MAJOR DONOR AND LICENSEE

During the years ended February 28, 2007 and 2006, contributions of approximately 53% and 45%, respectively, were received from individual donors who are related to the President.

During the years ended February 28, 2007 and 2006, license fees of \$95,167 and \$115,518, respectively, and site setup and development fees of \$123,890 and \$40,650, respectively, were received from one unrelated corporation.

### Note 5. DONATED EQUIPMENT AND SERVICES

The value of donated equipment, office space and services included as contributions in the financial statements and the corresponding expenses for the years ended February 28, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Equipment	\$ -	\$ 6,200
Marketing	12,500	12,500
Legal fees	9,000	-
Office space	<u>8,933</u>	<u>8,933</u>
	<u>\$ 30,433</u>	<u>\$ 27,633</u>

### Note 6. PROMOTION AND MEDIA

Promotion and media costs incurred during the year ended February 28, 2007 and 2006 were \$14,120 and \$13,130, respectively.

# JUSTGIVE, INC.

## NOTES TO THE FINANCIAL STATEMENTS YEARS ENDED FEBRUARY 28, 2007 AND 2006

### Note 7. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balance in one financial institution. The balance is insured by the Securities Investor Protection Corporation (SIPC) up to \$100,000. At times, the Organization's cash balance may exceed the insured limit. The Organization does not believe that there is any significant risk of loss.

### Note 8. OPERATING LEASE COMMITMENT

Commencing May 1, 2007, the Organization entered into a five-year non-cancelable operating lease for its office facility requiring minimum annual rent of \$32,827 for the first base year and \$34,758 thereafter along with the Organization's share of increased operating expenses over the base year.



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## INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors  
JustGive, Inc.  
San Francisco, California

We conducted our audits in accordance with U.S. generally accepted auditing standards for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
Benson & Neff  
Certified Public Accountants,  
A Professional Corporation

San Francisco, California  
November 8, 2007

# JUSTGIVE, INC.

## SCHEDULE OF FUNCTIONAL EXPENSES YEAR ENDED FEBRUARY 28, 2007 WITH COMPARATIVE TOTALS FOR 2006

	2007			2006
	PUBLIC AWARENESS	MANAGEMENT & GENERAL	FUNDRAISING & PROMOTION	TOTAL
<b>DIRECT EXPENSE</b>				<b>TOTAL</b>
Transaction costs	\$ 422,681	\$ -	\$ -	\$ 422,681
Salaries and payroll taxes	214,807	50,250	20,129	285,186
Professional fees	47,880	18,447	-	66,327
Licenses and permits	18,535	-	-	18,535
Promotion and media	14,120	-	-	14,120
Postage and delivery	11,220	1,993	812	14,025
Employee benefits	10,387	3,111	299	13,797
Website maintenance	12,126	-	-	12,126
Rent expense	7,146	1,210	577	8,933
Telephone	5,977	1,024	471	7,472
Printing and reproduction	5,168	913	379	6,460
Depreciation	4,594	718	431	5,743
Insurance	1,649	3,378	-	5,027
State registration	-	4,783	-	4,783
Dues and subscriptions	2,165	376	165	2,706
Other expenses	538	791	-	1,329
Office supplies	863	143	73	1,079
Repairs and maintenance	-	576	-	576
Travel and entertainment	-	174	-	174
Web development	-	-	-	-
	<u>\$ 779,856</u>	<u>\$ 87,887</u>	<u>\$ 23,336</u>	<u>\$ 891,079</u>
				<u>\$ 766,518</u>